

News Release

Farm Credit Administration
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FCA Board Rescinds Policy Guidance Documents Governing Farm Credit System Institutions

McLEAN, Va., December 13, 2007 — The Farm Credit Administration (FCA or Agency) Board today rescinded 24 bookletters. Bookletters are documents that communicate policy, legal interpretations, or substantive positions on examination, corporate, or accounting issues for Farm Credit System (FCS or System) institutions FCA is charged with overseeing.

The documents the Board voted to rescind were found to be obsolete because of subsequent action by FCA or had become outdated because of changing economic or industry standards. FCS institutions will be notified of the rescissions, which are effective today.

The Board also directed the staff to revise 10 other bookletters to ensure they remain useful for communicating current policy, legal interpretations, or substantive positions.

The booklet review was conducted to address a provision of the FCA Strategic Plan as well as guidance contained in the FCA Board Policy Statement on Regulatory Philosophy (FCA-PS-59). PS-59 directs the Agency to identify and eliminate all regulatory guidance that is unnecessary, burdensome, or not based in law.

In other business, the Board received a quarterly report on the operational practices of the FCS Building Association (FCSBA), which provides the facilities and related services for FCA and its regional offices. While the FCSBA is owned by the banks of the System, the FCA Board oversees the FCSBA's activities consistent with the Board's authorities under Section 5.16 of the Farm Credit Act of 1971, as amended.

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Notational Votes

Since the November 8 FCA Board meeting, two notational votes have occurred. Notational votes are actions taken by the FCA Board between Board meetings:

1. On November 13, the Board approved the FCSBA's 2008 budget, its annual operating plan, and the assessments it will charge FCS banks.
2. On December 10, the Board voted on a technical issue related to regulatory capital requirements.

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The Farm Credit Administration is the safety and soundness regulator of the cooperative Farm Credit System. FCA charters, regulates, and examines the 107 banks, associations, and service corporations of the FCS. System institutions make loans to agricultural producers and their cooperatives nationwide. Members of the FCA Board are Nancy C. Pellett, Chairman and CEO; Dallas P. Tonsager; and Leland A. Strom.

Note: FCA news releases are available on the FCA Web site at www.fca.gov.